THE RHODE ISLAND CONVENTION CENTER AUTHORITY 321st MEETING OF THE BOARD OF COMMISSIONERS October 30, 2008

A meeting of the Board of Commissioners of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on October 30, 2008 at 10:00 a.m. pursuant to notice, at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island.

Board members present were Chairman, David A. Duffy, Commissioners, Jeff Hirsh, Patrick Butler, Dale Venturini, Dave Gavitt, Bernie Buonanno, George Nee, Bill Daugherty and Paul MacDonald.

Mr. Fowler was unable to attend.

Also present were James P. McCarvill, Executive Director, Betty Sullivan and Ken Mancuso, Rhode Island Convention Center Authority; Bruce Leach, Legal Counsel; Tim Muldoon, Deb Tuton, John McGinn and Nancy Beauchamp, SMG/RICC; Larry Lepore, Cheryl Cohen, Lisa Coelho, Jodi Duclos and Eleanor SanAntonio, SMG/DDC; John Velez, Sportservice; Bob Bromley, Senate Fiscal Office; Chantale Sarrasin, House Finance; Steve Habl, VMA, and Eileen Smith, Recording Secretary. CALL TO ORDER

Recognizing a quorum, Chairman Duffy called the meeting to order at 10:05 a.m.

APPROVAL OF MINUTES

Chairman Duffy entertained a motion to accept the minutes of the 320th meeting, September, 2008. Upon a motion duly made by Ms. Venturini and seconded by Mr. Butler it was unanimously VOTED: to approve the minutes as distributed

Mr. Duffy announced that the next meeting would be held on November 20, 2008 at 9:00 AM.

Chairman Duffy instructed the Authority office to send the approved minutes to the Secretary of State's Office via electronic mail. Mr. Gavitt asked what happens if the minutes are not filed electronically. Mr. Duffy noted that they are not accepted if sent by regular mail.

Mr. Duffy announced that Mr. Leach had been named as one of the top lawyers in the State by Rhode Island Monthly. The Board congratulated Mr. Leach.

Mr. Duffy asked Mr. McCarvill to present the consolidated financial review. Mr. McCarvill reported that for the month of September, Convention Center net income was (\$3,380) to budget and (\$221,459) to the prior year. Mr. McCarvill noted that the unfavorable variance in net income for the month due to a reduction in food & beverage and parking revenues. Mr. McCarvill noted that Year to Date Net Income was (\$41,351) to budget and (\$349,377) to the previous year. He said that the unfavorable variance was the result of event assumptions

that were made but did not occur primarily in parking, food & beverage and ancillary income. Mr. McCarvill stated that Convention Center Management expects a turn around by the end of the year. Mr. McCarvill reported that for the month of September the Dunkin' Donuts Center net income was (\$131,312) to budget and (\$129.406) to the prior year. Mr. McCarvill noted that the unfavorable variance to budget is attributed to rental losses for two concerts and higher than anticipated utilities. Mr. McCarvill stated that Year to Date Net Income was (\$29,284) to budget and (\$200,276) to the previous year. He said that low attendance for events contributed to the unfavorable variance. Mr. McCarvill reported that net income for the Convention Center Authority for the month of September was (\$37,699) to budget and (\$289,966) to the prior year. Year to Date Net Income was (\$68,415) to budget and (\$329,741) to the prior year. Mr. McCarvill stated that consolidated net income for the month of August was (\$172,391) to budget and (\$640,831) to the prior year. Year to Date Net Income was (\$131,616) to budget and (\$871,962) to the prior year. Mr. McCarvill noted that the VMA is running (\$1,700) to budget. Mr. McCarvill said that we have to be selective in the events that bring in. He noted that some performers are not drawing the expected crowds. Mr. Duffy stated that people are not spending money at the concession stands. He continued that we need to sharpen pencils and reduce expenses to make it through this economy.

Mr. Duffy asked Mr. McCarvill to update the Board on our bonds. Mr. McCarvill reported that Ms. Sullivan was attending a conference today

held by the State Treasurer to learn what is happening with the bond market and what other agencies are doing to cope with the situation. Mr. McCarvill also reported that our financial advisors were attending the conference. Mr. McCarvill said that our bonds were insured by top rated companies. Mr. McCarvill said that we are using First Albany as our remarketing agent for the variable rate issue along with Dexia as liquidity provider. He said that we can't leave them where they are and that we hope to refund the bonds at a good fixed rate. Mr. McCarvill said that we will carefully look at all options and come up with the best solution. All of these financial companies are under pressure due to market conditions. Mr. Duffy assured the Board that we are staying as up to date as possible during these uncertain economic times.

DUNKIN' DONUTS CENTER

Mr. Buonanno reported that the Dunkin' Donuts Center Committee had met on Tuesday. He asked Mr. Lepore to address the Board. Mr. Lepore reported that the New Kids concert ticket sales are now at 7,000 which is better than most arenas but it is not a sell out. He said that he hopes to have a late sales rush as the concert date gets closer. He noted that nothing is doing well anywhere and if attendance is good spending is down in the concessions. He said that the economy is down and people are concerned about spending money on entertainment. Mr. Lepore noted that he is keeping track of staffing levels and trying to reduce expenses. Mr. Lepore said that

the good news is that Providence College has their first game on Saturday. He also said that he has been very pleased with the P Bruins marketing efforts. Mr. Lepore noted that they have continued to offer value added packages they sponsor give aways and invite youth hockey teams to skate with the Bruins. Mr. Duffy stated that he would like to see P.C. step up and do some more promotions. Mr. Gavitt suggested that the Dunk sponsor a training session and ask the Pawtucket Red Sox and the P. Bruins provide some guidance to Providence College on how to increase attendance. Mr. Lepore noted that P.C. has good season ticket sales but the games are not well attended. Mrs. Cohen noted that tickets to Saturday's game are only available on campus. She said that we do not have any tickets at our box office. Mr. Lepore reported that the boxing event is not doing well. He said that he would be meeting with the promoter to see what could be done to make the event more successful. He said that poor timing of the match is affecting ticket sales because the Patriots are playing on Thursday Night Football. Mr. MacDonald asked how many people are necessary to make the event a success. Mr. Lepore noted that the promoter is paying the rent but other sources of revenue will not be there. Building expenses are expected to be covered if the crowd is 1500 or so. Ms. Venturini stated that we must be cautious about what acts we bring in.

Mr. Duffy asked Mr. Bacher to update the Board on the renovations. Mr. Bacher stated that the renovations are nearing completion and that the punch list of items has gotten much shorter. Mr. Lepore noted that a solution has been found to row LL. Mr. Butler asked who will pay for the fix. Mr. McCarvill stated that we are negotiating with Track and Ellerbe. Mr. Duffy reported that we have had elevator problems. Mr. Lepore said that there were five entrapments this week and that fifty-two service calls have been needed in less than one year. Mr. McCarvill noted that the elevator is under warranty and it may need to be replaced.

Mr. Buonanno reported that he had toured the restaurant and that a sports bar concept had been suggested for the facility. He noted that Sportservice had presented ideas for signage and advertising throughout the building. Discussions ensued regarding the direction that the restaurant should take. Ms. Venturini noted that she was pleased with the presentation. Mr. Buonanno stated that he understands that the food has improved and that suite holders are satisfied. Mr. Duffy thanked Mr. Hirsh for his input and assistance. Mr. Velez noted that it will be easier for him to develop a menu once he knows the direction that we want him to take. Mr. Duffy said that he thinks that a sports bar would work best for the facility.

Mr. Duffy asked Mr. McCarvill to update the Board on the status of the War Memorial and Public Art. Mr. McCarvill said that the War Memorial design is complete. He said that the Blue Cross building has some structural problems and we need to stay off the property and out of the way until the problems are addressed. Mr. Duffy asked if the Veterans are being kept informed. Mr. McCarvill said that they

understand the delay. Mr. McCarvill reported that the Public Art is in RISCA's hands and moving forward.

CONVENTION CENTER COMMITTEE

Mr. Hirsh reported that the Convention Center Committee had met on Tuesday. He stated that the staff understands the importance of working harder to bring groups into the building. Mr. Muldoon reported that parking revenues were down because of fewer construction workers now that the hotel and the Dunk work is nearing completion. Mr. Muldoon also reported that event parking is up. He said that events at the Dunk drive significant parking revenue. Mr. Duffy noted that the Convention Center has been asked to look into creative ways to increase parking. Mr. Muldoon stated that they will investigate parking for the train station and Johnson & Wales and utilizing a shuttle service to and from those facilities. Mr. Muldoon reported that the sales team is working on short term bookings for Mr. Muldoon said that results from the the next few months. electronic surveys will available next month. Mr. Muldoon reported that rumble strips had been installed at the entrance to the North Garage. He said that was suggested during the safety meeting to slow traffic entering the garage. Mr. Muldoon noted that they were looking at ways to perk up concessions. He said that they were beginning to look tired. Mr. Muldoon reported that he has been discussing innovative ways to incentivize the sales staff. Mr. Duffy asked when Mr. McClintock would be invited to a Board meeting. Mr.

Muldoon reported that Mr. McClintock would be here for the December meeting. Mr. Duffy said that he would like to hear what SMG is doing to help.

VMA

Mr. Daugherty reported that Mr. Habl is doing more at the VMA with nothing than has been accomplished in years. Mr. Habl noted that there has been a problem with the heat but that they are plowing He reported that the Ballet is averaging 450 people per performance. He said that he would like some ideas on how we could help improve attendance. Mr. MacDonald asked if they have reached out to local dance studios. Mr. Habl said that there is some outreach. Mr. Habl noted that the Nutcracker scenery does not fit in the VMA but that they are looking to return with a smaller sett. He said that the VMA is a better venue for the Nutcracker than PPAC. Mr. Habl reported that Letitia Carter would be visiting the theater in November. Mr. McCarvill asked if there could be a link to the VMA on PPAC's web site. Mr. Habl said that it is being worked on as well as a telephone link. Mr. Habl was pleased to note that a good relationship with the hotel has been established. Mr. Duffy said that he was impressed with what has been done with such a limited budget.

MARKETING COMMITTEE

Ms. Venturini reported that the Marketing Committee had met on

Tuesday. She asked Mr. Muldoon to address the Board. Mr. Muldoon reported on several tentative events that are being pursued by the sales team. He was pleased to report that the Storybook Ball would be held at the Convention Center this year. Mr. Muldoon noted that it had taken four years to lure the event to our facility. Mr. Muldoon, noting the importance of the pharmaceutical industry to the building, said that he is discussing with legal counsel any issues in signing Phizer's contract. He said that in the past the Westin Hotel has signed their contract and we have worked with them. Mr. Duffy asked how November and December are looking. Mr. Muldoon stated that Holiday party bookings are about the same as last year although we have been asked to cater an event for American Power Conversion at the Skating Rink. He said that licenses are required to cater and that is being worked on.

Mrs. Cohen distributed a handout that compares ticket sales at the Dunkin' Donuts Center to other SMG buildings. She noted that the report indicates that we are doing as well or better than other facilities. She said that we are trying to be smart in our choices for events and are being creative in our approach to bringing in patrons. Mr. MacDonald was surprised to see that Hartford was doing well. Ms. Venturini noted that Hartford prices are lower and that the Casinos are a draw.

Ms. Venturini presented the CVB's report. She noted that the CVB had reformatted their staff and that more research is being done. Ms.

Venturini stated that 2009 does not look great. Mr. Duffy asked how

the market is absorbing the new hotels. Ms. Venturini said that

hoteliers are concerned about cutting the pie into smaller pieces.

She noted that Pinnacle was predicting a 3 - 5% downturn in

Mr. Nee asked how Boston was doing. Ms. Venturini Providence.

said that Boston's rate is creeping up and therefore guests are

looking further out.

Mr. McCarvill noted that customer surveys need to be done by

Sportservice, the Dunk and VMA. He said that he would like to see

electronic surveys from all.

Mr. Duffy asked if there was any new business. Hearing none he

asked for a motion to adjourn. Upon a motion duly made by Mr.

Butler and seconded by Mr. Hirsh it was unanimously

VOTED: to adjourn at 11:25 AM